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ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION WITH
INDEPENDENT AUDITORS' REPORT
and
INDEPENDENT AUDITORS' REPORTS ON FEDERAL FINAID, INTERNAL
ACCOUNTING CONTROL, AND COMPLIANCE
for the Year Ended March 31, 1983

Under provisions of State law, this report is a public document. A copy of this report has been submitted to the parish, its council, and other appropriate public officials. This report is available for public inspection at the Baton Rouge office of the Louisiana Auditor and, when appropriate, at the office of the parish clerk of court.

Released Date: APR 13 1983

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
St. Mary Community Action Committee
Association, Inc.
Franklin, Louisiana

We have audited the accompanying statement of financial position of the St. Mary Community Action Committee Association, Inc. (a nonprofit organization) as of March 31, 1997, and the related statements of activities and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Governmental Auditing Standards, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions". These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the accounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the St. Mary Community Action Committee Association, Inc. as of March 31, 1997, and the changes in its net assets and cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated July 19, 1993, on our consideration of St. Mary Community Action Committee Association's internal control structure and a report dated July 18, 1991, on its compliance with laws and regulations.

Our audit was made for the purpose of forming an opinion on the basic financial statements. The individual program statements of activities are presented for additional analysis and are not a required part of the financial statements of the St. Mary Community Action Committee Association, Inc. Such information has been subjected to the auditing procedures applied in the examination of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.



CERTIFIED PUBLIC ACCOUNTANTS

July 16, 1993

ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATIONAL, INC.
STATEMENT OF FINANCIAL POSITION
MARCH 31, 1987

ASSETS

Current assets	
Cash	\$36,338
Grants receivable	31,562
Total current assets	67,900
Fixed assets - less	
accumulated depreciation	767,018
Total assets	<u>\$834,918</u>

LIABILITIES AND NET ASSETS

Current liabilities	
Checks issued in excess	
of bank balances	\$136
Accounts payable and	
accrued expenses	21,374
Total current liabilities	21,510
Net assets	
Unrestricted	19,721
Temporarily restricted for:	
Fixed assets with explicit	
restrictions on use	759,540
Housing assistance programs	19,311
Emergency assistance programs	3,820
Total net assets	792,392
Total liabilities and	
net assets	<u>\$834,918</u>

The accompanying notes are an integral part of these financial statements.

ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.
STATEMENT OF ACTIVITY
FOR THE YEAR ENDED MARCH 31, 1997

**Changes in unrestricted
net assets:**

Support	
Grants	
Federal	\$189,825
State	18,572
Local	27,629
Contributions	58,339
Other	58,119
Net assets released from restrictions:	
Satisfaction of program restrictions	<u>2,128,263</u>
Total unrestricted support	<u>2,468,209</u>

Expenses

Headstart program	1,709,688
Housing assistance programs	218,674
Transportation program	88,200
Childcare program	182,448
Emergency assistance programs	19,917
Other general assistance	41,162
Management and general	<u>147,142</u>
Total unrestricted expenses	<u>2,398,066</u>

Increase (decrease) in unrestricted net assets	87,218
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**Changes in temporarily restricted
net assets:**

Support	
Grants	
Federal	2,094,324
Net assets released from restrictions:	
Satisfaction of program restrictions	<u>(2,028,879)</u>
Increase (decrease) in temporarily restricted net assets	<u>18,248</u>
Increase (decrease) in net assets	83,480

Net assets at March 31, 1996	<u>658,834</u>
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Net assets at March 31, 1997	<u>\$742,590</u>
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The accompanying notes are integral part of these financial statements.

ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.

STATEMENT OF CASH FLOWS
For the Year Ended March 31, 1997
Increase (Decrease) in Cash and Cash Equivalents

Cash flows from operating activities:	
Cash received from Federal grants	\$2,400,851
Cash received from state grants	10,572
Cash received from local grants	27,825
Miscellaneous receipts	58,119
Cash paid to employees	(1,435,933)
Cash paid to vendors	<u>(912,826)</u>
Net cash provided by operating activities	142,338
Cash flows from investing activities:	
Purchase of fixed assets	<u>(164,280)</u>
Net cash used in investing activities	<u>(164,280)</u>
Cash flows from financing activities:	
Payments on notes payable	(5,000)
Cash received from Sparrow Garden project	<u>30,333</u>
Net cash provided by investing activities	<u>25,333</u>
Net increase (decrease) in cash and cash equivalents	375
Cash and cash equivalents at beginning of year	<u>34,953</u>
Cash and cash equivalents at end of year	<u>\$35,328</u>

Reconciliation of change in net assets to net cash by operating activities:

Change in net assets:

Adjustments to reconcile change in net assets to net cash used in operating activities:		\$23,455
Depreciation	107,300	
(Increase) Decrease in Grants receivable	13,448	
Increase (Decrease) in checks issued in excess of cash	(5,037)	
Increase (Decrease) in accounts payable	(48,967)	
Increase (Decrease) in notes payable	(8,000)	
Subtotal		<u>59,742</u>
Net cash used by operating activities		<u>\$142,209</u>

NOTE: The Association also received noncash contributions of rent and professional services totaling \$52,339 during the year under audit.

The accompanying notes are an integral part of these financial statements.

ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

March 31, 1997

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

A summary of the Association's significant accounting policies applied in the preparation of the accompanying financial statements follows:

The Association is a not-for-profit corporation designated as St. Mary Parish's official agency for the enactment and oversight of many social, education, and welfare programs for the citizens of the Parish. The Association receives Federal, state, and local funding to operate its various programs.

The following is a summary of the programs and their primary functions applicable to the Association during the year ended March 31, 1997:

<u>Program</u>	<u>Funding Source</u>	<u>Functions</u>
Head Start #22	U.S. Dept. of Health and Human Services	To provide comprehensive health, educational, nutritional, social, and other services to economically disadvantaged preschool children.
Head Start Reimbursement	U.S. Dept. of Agriculture	To supply supplemental nutritious foods and nutrition education to low-income families.
Low-income Housing Development	U.S. Dept. of Housing and Urban Development	To provide decent and affordable housing through development, construction, and rehabilitation.
LINSEP Utility Payments	U.S. Dept. of Health and Human Services	To assist eligible households to meet home energy costs.
Weatherization	U.S. Dept. of Energy	To weatherize dwellings of low-income individuals.
Housing Counseling	U.S. Dept. of Housing and Urban Development	To provide a full range of services, advice, and assistance to housing consumers in improving their housing conditions and meeting the responsibilities of homeownership and tenancy.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

PROGRAM	FUNDING SOURCE	DESCRIPTION
Homeless Prevention	U.S. Dept. of Health and Human Services	To prevent homelessness by assisting in mortgage and rent payments, utility disconnection prevention, and transportation for medical and job purposes.
Housing Department	St. Mary Community Action Association, Inc.	To provide housing assistance, counseling, etc. regarding home ownership.
Parish Council	St. Mary Parish Council	To supplement transportation services.
Home Day Care	U.S. Dept. of Agriculture	To supply nutritious foods to children in child-care facilities.
Family Preservation	Louisiana Office of Community Services	To promote family values and health issues.
FEMA Emergency Assistance	Federal Emergency Management Agency	To assist eligible clients with utility, rent, emergency shelter, and food assistance.
Emergency Shelter	U.S. Dept. of Health and Human Services	To provide emergency housing for victims of fire, floods, storms and other natural disasters.
Summer Feeding	U.S. Dept. of Agriculture	To supply nutritious foods to children of low income families during the summer months.
General	Various	General operations.
Community Services Block Grant	U.S. Dept. of Health and Human Services	To provide administrative assistance to non-profit community service organizations.
Et State	State of Louisiana	To supplement administrative costs.
Training and Technical Assistance/ Office of Community Services	U.S. Dept. of Health and Human Services	To provide administrative and technical assistance for the furtherance of housing.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

Basis of Accounting

The accrual basis of accounting is generally used by the Association.

Support and Revenue

A significant portion of the Association's support and revenue is in the form of grants from governmental agencies. These grants are generally recognized as revenue to the extent that expenses have been incurred for purposes specified by the grantor.

Expenses

Assets or expenses and their related liabilities are recorded when the related goods or services are received by the Association.

Utilization of Contributed Goods, Services or Facilities

In general contributed goods and facilities that meet the proper criteria are recorded as items of support or revenue with a like amount recorded as expense upon receipt at fair market value.

In accordance with Financial Accounting Standards No. 118, contributions of services shall be recognized only if the services received a) create or enhance nonfinancial assets or b) require specialized skills and the person providing the service possesses the specialized skill.

Fixed Assets

Purchased furniture, fixtures, and other equipment are valued at their actual cost or estimated cost. Contributed items are valued at their estimated fair market value at the date of the contribution. Fixed assets are depreciated over their estimated useful lives on the straight-line basis. Fixed assets purchased with federal dollars may need to be returned to the grantor, sold or retained by the organization in accordance with the respective grant agreements upon program completion.

Compensated Absences

Compensation is paid to employees absent from work due to illness or vacation. No liability is accrued in these financial statements because the accumulated amount of accrued compensated absences is immaterial to the financial statements.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

NET ASSETS

In accordance with the Statement of Financial Accounting Standards #117, the Association must report net assets in each of the following three classes:

- a. PERMANENTLY RESTRICTED - net assets in this category are restricted by donor-imposed restrictions that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the organization.
- b. TEMPORARILY RESTRICTED - net assets in this category are restricted by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the organization.
- c. UNRESTRICTED - net assets in this category are not restricted by donor-imposed restrictions.

The Association has unrestricted and temporarily restricted net assets.

The temporary restrictions result from grants received with restrictions that expire when those donor-imposed stipulations have been met. Once the stipulation related to the restriction has been met these temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Cash and cash equivalents

For purposes of the Statement of Cash Flows, the Association considers all cash in non-interest bearing checking accounts and cash on hand to be cash and cash equivalent accounts.

Income Tax Status

The Association operates as a not-for-profit organization. It is accorded non-exempt status under Section 501 (c) (3) of the Internal Revenue Code.

NOTE 2 - CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal Government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Association expects such amounts, if any, to be immaterial.

NOTE 3 - FIXED ASSETS

The following is a summary of fixed assets by major category with their related estimated useful lives:

Category	Cost	Estimated Useful Life
Building	\$ 459,631	35 years
Vehicles	442,140	3 years
Furniture and fixtures	47,899	5 years
Machinery and equipment	322,294	3 years
Leasehold improvements	<u>23,321</u>	5 years
Total	1,195,485	
Less: accumulated depreciation	<u>447,888</u>	
	<u>\$ 747,597</u>	

Depreciation for the year ended March 31, 1987 totaled approximately \$186,000.

NOTE 4 - LEASES

At March 31, 1987, the Association had four significant operating leases in effect. The leases cover the buildings in various locations used to serve recipients of the Association's services. Total rent expense for the year ended March 31, 1987 totaled \$31,384.

The future minimum lease payments for the five leases for 1987 are approximately \$6,810.

NOTE 5 - UTILIZATION OF CONTRIBUTIONS

The following contributions were received and recognized by the Association during the year ended March 31, 1987.

NOTE 4 - UTILIZATION OF CONTRIBUTIONS (cont'd)

Program	Contributions	Amount
General		
Operations	Commodities	\$ 25,298
Head Start	Food	7,948
Head Start	Professional Services	<u>32,124</u>
	Total recognized contributions received	\$ <u>65,370</u>

In addition to the recognized contributions, the Association receives donations from parent volunteers in the Head Start Program. These contributed services and food items were not recognized because they do not meet the criteria set forth in FASB 110; however, these contributions do meet the matching requirement set forth in the Head Start grant. The sum of the unrecognized and recognized "in-kind" contributions to the Head Start Program total approximately \$810,800.

NOTE 5 - RELATED ENTITIES

The Association is a participant in a Limited Partnership as a General Partner sharing .2% in profits and losses and 30% in ownership capital. The partnership was formed for the purpose of constructing and maintaining a 30 unit low to moderate income townhouse community, "Sparrow Gardens Townhouses", located in Ferrisville, Louisiana. The total cost of the project was approximately \$1,378,800. This project was completed in January of 1996.

The Association acting in the capacity of a Community Housing Development Organization (CHDO) is the administrative manager of the complex. The accounting and financial management of the complex is handled by another partner.

In addition to its share of profits or losses, the Association will receive \$15 per occupied unit per month as a management fee. Total management fees earned at March 31, 1997 total \$28,028. An additional \$18,600 was earned in fees on the project.

The Partnership's year end is December 31st. Total net assets of the partnership total \$482,880 at December 31, 1996. The partnership incurred a net loss of \$48,848 at December 31, 1996. The amount of this loss attributable to the Agency is \$228.

NOTE 7 - CONCENTRATIONS

Ninety-four percent of the Association's funding is obtained from federal grants. The largest federal grant administered by the Association is the Head Start program. Head Start funding composed seventy-four percent of the Association's total funding for the year ended March 31, 1983.

NOTE 8 - COMMITMENTS

During the audit period, the Agency also received notice of approval from the Federal Home Loan Bank of Dallas for funding in the amount of \$125,000 for the purpose of the acquisition and construction of Faith Place, a single unit family residential project.

SUPPLEMENTARY INFORMATION

ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.
STATEMENT OF ACTIVITY BY PROGRAM
FOR THE YEAR ENDED MARCH 31, 1987

	GENERAL FUNDS	HEAD START FUNDS	HEAD START REMATCHING FUNDS	COLLEGE WORKING DEVELOPMENT	CHES FUNDS	HOME CARE FUNDS
Change in unrestricted net assets:						
Revenues						
Federal	\$1,200		\$44,742			\$20,278
State	4,544				\$8,529	\$7,382
Other	3,200					
Other support				\$188		
Indication of contribution/100		\$85,574				
Indication of contribution/		7,888				
professional services						
Indication of contribution/1000						
Other	2,578					
Net assets released from previous		1,000,000				
Indication of program activities		1,000,798				
Indication of program activities						
Total unrestricted support:	\$11,522	1,086,798	144,742	188	8,529	27,660
Expenses						
Salaries	4,881	1,055,750	85,244		11,783	11,487
Indication of contribution/100	12,355					
Indication of contribution/						
Professional services		\$1,174				
Professional services	2,200	27,888	2,422		5,426	
Communication						
Supplies and equipment		3,898			1,173	
Maintenance	600	83,000	575		5,564	
Rent		4,000				
Services	1,680	13,345	4,472			22,798
Indication of contribution/1000		7,888				
Supplies	1,275	84,502	4,504		1,457	
Travel and other costs	1,275	25,470	78		12,228	
Insurance	383	83,810	1,000		5,529	
Services/professional community						
Emergency assistance		14,274	87,885		4,878	
Food		4,000				
Miscellaneous						
Rent						
Other expenses	3,420	14,893	507		8,802	127
Communication	16	87,182	288		1,700	
	\$7,632	1,081,471	148,178		28,174	25,827
Total unrestricted expenses:						

IF, MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.
STATEMENT OF ACTIVITY BY PROGRAM
FOR THE YEAR ENDED MARCH 31, 1987

	STATE CONTRIBUTIONS	LEADS	REMATCHES	HOUSE CONTRIBUTING	HOUSEHOLD CONTRIBUTIONS
Changes in classified net assets					
Support					
Gifts					
Federal					
State					
Local					
Other support					
Contribution of contributed food					
Contribution of contributed professional services					
Contribution of contributed facilities					
Other					
Net assets released from restrictions					
Subtotal of program activities		\$19,887	\$4,040		\$1
Total unrestricted support		<u>\$19,887</u>	<u>\$4,040</u>		<u>\$1</u>
		4,036	5,115	15	
		1,889			
Expenses					
Salaries					
Utilities of contributed food					
Utilities of contributed facilities					
Professional services					
Professional salaries					
Contractual					
Telephone and postage					
Rent					
Travel					
Supplies					
Travel and services					
Insurance					
Services provided to community					
Emergency assistance					
Food					
Medical					
Post					
Legal					
Utility payments					
Other					
Depreciation					
Total unrestricted expenses	\$8	\$8	\$8	\$5	\$1
		<u>\$8</u>	<u>\$8</u>	<u>\$5</u>	<u>\$1</u>

	STATE ADMINISTRATIVE	LEGAL	REORGANIZATION	HOUSE COUNSELING	HOMELESS RECORDS
	(88)	1,000		(81)	
		1,400	26		
	960	0,217	35	110	
		60,700	0,170		1,000
		100,000	0,000		110
		7,000	140		80
	(50)	4,000	(300)	(10)	80
	2,100	(2,000)	0,010		0,000
	\$1,100	\$1,000	\$0,000	\$0,010	\$0,000

Changes in unallocated net assets

Other changes in unallocated

net assets:

Transfer in

Transfer out

Increase (decrease) in an-

retained net assets

Changes in temporarily restricted

net assets:

Support:

Grants

Federal

Net assets received from operations,

Administration of program operations

Increase (decrease) in temporarily

restricted net assets

Increase (decrease) in net assets

Net assets at March 31, 1990.

Net assets at March 31, 1989.

FOCUS CAMPUS/CLY ASSISTANCE	STAMPIN' PRIDE PROGRAM	EMERGENCY SHELTERS	HOUSING DEBT	FAMILY RESOURCES	TVA/ O&A	TOTAL ALL PROGRAMS
	3	003	8,174	488	(888)	87,218
	(888)		8,824 (6,782)			18,889 (68,895)
3			10,000	488	(888)	87,218
6,500	140,284	7,000	8,880	8,000	10,000	2,084,324
8,000	(140,284)	(4,481)	(8,880)	(8,000)	(10,000)	(2,084,324)
3		8,889	10,000	488	6,784	18,248
2,743		832	(8,141)		6,784	81,687
52,746	26	10,711	94,887	8,888	88,178	1,742,580

Changes in unrestricted net assets

Other changes in unrestricted

net assets:

Transfer in

Transfer out

Increase (decrease) in
restricted net assets

Changes in temporarily restricted

net assets:

Support

Grants

Federal

Net assets released from restrictions:

Completion of program restrictions

Increase (decrease) in temporarily

restricted net assets

Increase (decrease) in net assets

Net assets at March 31, 1988.

Net assets at March 31, 1987

FEDERAL AGENCIES, INTERNAL
ACCOUNTING CONTROL, AND COMPLIANCE SECTION



INDEPENDENT AUDITORS' REPORT ON SCHEDULE OF
FEDERAL EXPENSES

July 16, 1997

Board of Directors
St. Mary Community Action
Committee Association, Inc.
Franklin, Louisiana

We have audited the financial statements of the St. Mary Community Action Committee Association, Inc., a nonprofit organization, as of and for the year ended March 31, 1997, and have issued our report thereon dated July 16, 1997. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions." These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of The St. Mary Community Action Committee Association, Inc. taken as a whole. The accompanying Schedule of Federal Awards is presented for purposes of additional analysis and is not a required part of the financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.



CERTIFIED PUBLIC ACCOUNTANTS

ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.

Schedule of Federal Awards
For the Year Ended March 31, 1987

<u>FEDERAL DONOR/ PASS-THROUGH GRANTEE NAME/ PROGRAM TITLE</u>	<u>Federal CFDA NUMBER</u>	<u>Revenue Recognized</u>	<u>Expenses Incurred</u>
U.S. Department of Agriculture			
Passed through Louisiana Department of Education			
* Child and Adult Care Food Program (Meal Start reimbursement)	10-550	\$144,743	\$144,743
Child and Adult Care Food Program- (Day Care Home Program)	10-550	32,270	32,415
Passed through St. Mary Parish Council			
* Summer Food Service Program for Children (Summer Feeding Program)	10-559	149,264	149,264
Passed through Louisiana Department of Agriculture and Forestry			
Food Distribution	10-550	12,200	12,200
Administrative costs	10-550	<u>12,685</u>	<u>12,685</u>
Total U.S. Department of Agriculture		351,882	352,647
U.S. Department of Housing and Urban Development			
Passed through Louisiana Department of Social Services Office of Community Services			
Emergency Shelter Grants Program	14-201	<u>4,461</u>	<u>4,461</u>
Total U.S. Department of Housing and Urban Development		4,461	4,461

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR NAME/ PROGRAM TITLE</u>	<u>Federal CRFA NUMBER</u>	<u>Revenue Recognized</u>	<u>Expenses Incurred</u>
<u>U.S. Department of Energy</u>			
Passed through Louisiana Department of Social Services Office of Community Services			
Weatherization Assistance for low-income persons	81.042	<u>1,556</u>	<u>1,556</u>
Total U.S. Department of Energy		<u>\$ 1,556</u>	<u>\$ 1,556</u>
<u>Federal Emergency Management Agency</u>			
Passed through the Louisiana Department of Military Affairs-Office of Emergency Preparedness Disaster Assistance			
	83.518	<u>\$ 6,336</u>	<u>\$ 6,336</u>
Total Federal Emergency Management Agency		<u>6,336</u>	<u>6,336</u>
<u>U.S. Department of Health and Human Services</u>			
Administration for Children and Families			
* Head Start	93.600	<u>1,990,800</u>	<u>1,992,000</u>
Passed through Louisiana Department of Social Services Office of Community Services			
* Low-income Home Energy Assistance	93.568	<u>193,901</u>	<u>194,700</u>
Passed through Louisiana Department of Labor			
* Community Services Block Grant	93.569	<u>144,473</u>	<u>145,116</u>
Community Services Block Grant (Homeless/ Homeless Prevention)			
	93.569	<u>1,800</u>	<u>11</u>
Passed through Louisiana Department of Social Services Office of Family Support			
Job Opportunities and Basic Skills Training (Project Independence)	93.561	<u>30,817</u>	<u>30,917</u>
Total U.S. Department of Health and Human Services		<u>1,940,281</u>	<u>1,943,717</u>
Total Federal Financial Assistance		<u>\$2,305,363</u>	<u>\$2,319,579</u>

* denotes major program
The accompanying notes are an integral part of this schedule.

ST. MARY COMMUNITY ACTION COMMITTEE ASSOCIATION, INC.
NOTES TO THE SCHEDULE OF FEDERAL AWARDS
For the Year Ended March 31, 1997

NOTE 1 - REPORTING METHOD

In some instances, revenues and expenses per this schedule may not equal amounts reported in the basic financial statements because revenues and expenses in this schedule are reported on the basis of grant reporting requirements rather than on the basis of generally accepted accounting principles.

NOTE 2 - HEAD START

For purposes of this schedule, the amount reported as "expenses incurred" for the Head Start program of \$1,592,891 does not include \$87,353 in depreciation expense, \$40,139 in contributions; but this figure does include \$164,366 in fixed asset additions.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE
BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

July 16, 1997

Board of Directors
St. Mary Community Action
Committee Association, Inc.
Franklin, Louisiana

We have audited the financial statements of the St. Mary Community Action Committee Association, Inc. (a nonprofit organization) as of and for the year ended March 31, 1997, and have issued our report thereon dated July 16, 1997.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions." These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of the St. Mary Community Action Committee Association, Inc. is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by the Association's management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are

executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of the St. Mary Community Action Committee Association, Inc., for the year ended March 31, 1987, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion of the internal control structure. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

A material weakness is reportable in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions described in the reportable condition section of this report is a material weakness.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE
USED IN ADMINISTERING FEDERAL AWARDS**

July 16, 1997

Board of Directors
St. Mary Community Action
Committee Association, Inc.
Franklin, Louisiana

We have audited the financial statements of the St. Mary Community Action Committee Association, Inc. (a nonprofit organization) as of and for the year ended March 31, 1997, and have issued our report thereon dated July 16, 1997. We have also audited the compliance of St. Mary Community Action Committee Association with requirements applicable to major federal award programs and have issued our report thereon dated July 16, 1997.

We conducted our audits in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and about whether the St. Mary Community Action Committee Association complied with laws and regulations, noncompliance with which would be material to a major federal award program.

In planning and performing our audits for the year ended March 31, 1997, we considered the internal control structure of the St. Mary Community Action Committee Association in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements of the St. Mary Community Action Committee Association and on its compliance with requirements applicable to major programs and to report on the internal control structure in accordance with OMB Circular A-133. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal award programs. We have addressed internal control structure policies and procedures relevant to our audit of the financial statements in a separate report dated July 16, 1997.

The management of the St. Mary Community Action Committee Association is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of the financial statements in accordance with generally accepted accounting principles, and that federal award programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal award programs in the following categories:

INTERNAL ACCOUNTING CONTROLS

- General
- Cash
- Support, program service fees, revenue, and receivables
- Contributed materials, facilities, and services
- Expenses for program and supporting services and accounts payable
- Payroll and related liabilities
- Property and equipment
- Net assets

FEDERAL PROGRAM ADMINISTRATIVE CONTROLS

General Requirements

- Political activity
- Civil rights
- Cash management
- Federal financial reports
- Allowable costs/cost principles
- Drug-Free Workplace Act
- Administrative requirements

Specific Requirements

- Types of services allowed or unallowed
- Eligibility
- Matching, level of effort, and earmarking
- Federal financial reports and claims for advances and reimbursements
- Accounts claimed or used for matching
- Cost Allocation
- Expenditure in proper fiscal period
- Outreach requirement
- State and local licensing requirements
- Procedures for receiving, storing, and distributing donated food
- Donated food being used only for intended purposes

For all of the internal control structure categories listed in the preceding paragraph, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended March 31, 1987, The St. Mary Community Action Committee Association, Inc., expended 51% percent of its total Federal awards under major Federal award programs.

We performed tests of controls, as required by COS Circular A-119, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and accounts claimed or used for matching that are applicable to each of the Association's major Federal award programs, which are identified in the accompanying Schedule of Federal Awards. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operations that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the Agency's ability to administer Federal financial assistance programs in accordance with applicable law and regulations.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a Federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions noted in the reportable condition section of this report is a material weakness.

A similar letter issued by us dated July 19, 1983, for the year ended March 31, 1984, reported no material weaknesses in relation to a federal award program.

This report is intended solely for the use of management, Federal regulatory agencies, and the legislative auditor, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



CERTIFIED PUBLIC ACCOUNTANTS

REPORTABLE CONDITIONS

Bank Reconciliations

Condition: We noted during the course of testing cash that four of the Agency's seventeen cash accounts did not coincide with the general ledger.

Cause: The Association reconciles its checkbook or cash disbursements records balance to the bank statement, but does not agree or reconcile this balance to the general ledger cash balance.

Effect: There may be undetected or uncorrected differences in the actual cash balances and the amount of cash as reported in the general ledger.

Criticism: An effective control system over cash should include the reconciliation of bank statement balances to the ledger balances on a periodic basis.

Recommendation: We recommend that all cash balances be reconciled monthly to the cash disbursements journals and general ledgers on a monthly basis.

Management Comments:

In the future, the Association will ensure that reconciled balances are agreed to the journals and the general ledgers.

Cost Allocation Plan

Condition: We noted during our testing of your allocation plan that the amounts indicated on the plan did not always coincide with the amounts recorded in the general ledger in some instances.

Cause: This condition is caused by failure to follow the approved plan or amend the approved plan where needed.

Effect: This condition has the effect of under/over recovery of allocable costs on certain programs.

Criteria: GAO Circular A-87 requires that "all costs included in the plan be supported by formal accounting records which will substantiate the propriety of eventual charges."

Recommendation: We recommend that all cost allocation plans be adhered to or amended where necessary to properly reflect management's intentions.

Management Comments:

The Association uses the allocation plan as an estimate of the amounts of projected allocable costs that each program should bear.

In the future, the Association will adjust these figures as needed as more information becomes available as to the differences between the amounts projected and the actual amounts incurred for each expense.



INCORPORATED IN
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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

July 14, 1987

Board of Directors
St. Mary Community Action
Committee Association, Inc.
Franklin, Louisiana

We have audited the financial statements of the St. Mary Community Action Committee Association, Inc. (a nonprofit organization) as of and for the year ended March 31, 1987, and have issued our report thereon dated July 14, 1987.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of the Office of Management and Budget Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the St. Mary Community Action Committee Association, Inc. is the responsibility of the St. Mary Community Action Committee Association, Inc.'s management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

A similar letter issued by us dated July 19, 1996, for the year ended March 31, 1996, reported no material instances of noncompliance.

This report is intended solely for the use of management, Federal regulatory agencies, and the Legislative Auditor, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



CERTIFIED PUBLIC ACCOUNTANTS



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH SPECIFIC
REQUIREMENTS APPLICABLE TO MAJOR FEDERAL AWARD PROGRAMS**

July 16, 1987

Board of Directors
St. Mary Community Action
Committee Association, Inc.
Franklin, Louisiana

We have audited the financial statements of the St. Mary Community Action Committee Association, Inc. (a nonprofit organization) as of and for the year ended March 31, 1987 and have issued our report thereon dated July 16, 1987.

We have also audited the compliance of the St. Mary Community Action Committee Association Inc. with the requirements governing types of services allowed or not allowed; eligibility; matching; level of effort, or earmarking; reporting; cost allocation; expenditures in proper fiscal period; outreach requirement; state and local licensing requirements; federal reports and claims for advances and reimbursements; amounts claimed or used for matching, procedures for receiving, storing, and distributing the donated foods; and donated food being used only for intended purposes that are applicable to each of its major federal award programs, which are identified in the accompanying Schedule of Federal Awards, for the year ended March 31, 1987. The management of the St. Mary Community Action Committee Association, Inc. is responsible for the Association's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance with those requirements in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to in the second paragraph occurred. An audit includes examining, on a test basis, evidence about the Association's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the St. Mary Community Action Committee Association, Inc. complied, in all material respects, with the specific requirements referred to in the second paragraph that are applicable to each of its major federal award programs for the year ended March 31, 1983.

A similar letter issued by us dated July 18, 1982, for the year ended March 31, 1982 reported no material instances of noncompliance.

This report is intended solely for the information of management, Federal regulatory agencies, and the Legislative Auditor, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



CERTIFIED PUBLIC ACCOUNTANTS



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH THE GENERAL
REQUIREMENTS APPLICABLE TO FEDERAL AWARD PROGRAMS

July 18, 1997

Board of Directors
St. Mary Community Action
Committee Association, Inc.
Franklin, Louisiana

We have audited the financial statements of the St. Mary Community Action Committee Association, Inc. (a nonprofit organization) as of and for the year ended March 31, 1997, and have issued our report thereon dated July 18, 1997.

We have applied procedures to test the compliance of the St. Mary Community Action Committee Association, Inc. with the following requirements applicable to the federal award programs, which are identified in the accompanying schedule of Federal Awards, for the year ended March 31, 1997:

- Political activity
- Civil rights
- Cash management
- Federal financial reports
- Allowable costs/cost principles
- Drug-Free Workplace Act
- Administrative requirements

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement for Single Audits of State and Local Governments" and/or the "Compliance Supplement for Audits of Institutions of Higher Learning and Other Nongovernmental Institutions." Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the St. Mary Community Action Committee Association, Inc.'s compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to items tested, the results of our procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the St. Mary Community Action Committee Association had not complied, in all material respects, with those requirements.

A similar letter issued by us dated July 19, 1977, for the year ended March 31, 1976 reported no material instances of noncompliance.

This report is intended solely for the information of management, Federal Regulatory agencies, and the Legislative Auditor, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



CERTIFIED PUBLIC ACCOUNTANTS



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR
FEDERAL AWARD PROGRAM TRANSACTIONS**

July 16, 1997

Board of Directors
St. Mary Community Action
Committee Association, Inc.
Franklin, Louisiana

We have audited the financial statements of the St. Mary Community Action Committee Association, Inc. (a nonprofit organization) as of and for the year ended March 31, 1997, and have issued our report thereon dated July 16, 1997.

In connection with our audit of the financial statements of the St. Mary Community Action Committee Association, Inc., and with our consideration of the Association's internal control structure used to administer federal award programs, as required by Office of Management and Budget (OMB) Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions," we selected certain transactions applicable to certain nonmajor federal award programs for the year ended March 31, 1997. As required by OMB Circular A-133, we performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed, eligibility, and claims for advances and reimbursements that are applicable to these transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Association's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of our procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the St. Mary Community Action Association, Inc. had not complied, in all material respects, with these requirements.

A similar report issued by us dated July 16, 1997, for the period ended March 31, 1996 reported no material instances of noncompliance.

This report is intended solely for the information of management, Federal regulatory agencies, and the Legislative Auditor, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



CERTIFIED PUBLIC ACCOUNTANTS